

MdAPA_Theresa Neumann_FAV_SB0788

Uploaded by: Beumann, Theresa

Position: FAV



Date: February 26, 2020
Committee: Senate Budget and Taxation
Bill: Senate Bill 788 – Income Tax – Credit for Community-Based Faculty Clinicians
Position: Support

The Maryland Academy of Physician Assistants (MdAPA) is a constituent organization of the American Academy of Physician Assistants (AAPA), and we represent all practicing physician assistants (PAs) in the state of Maryland. We support this bill to extend tax credits to PA preceptors and ask for your FAVORABLE vote on SB 788.

The MdAPA was involved in the drafting of the original bill presented to the legislature in 2016 which allowed tax credits for medical student preceptors; nurse practitioners were added to the bill, but PAs were left off the list despite being equivalent advanced practice providers. With PA programs increasing in number in the state along with an ever-increasing need for providers in underserved areas of the state, it is both fair and equitable to allow qualified preceptors (physician, PA, and nurse practitioners) to receive tax credits for the clinical teaching that they provide for PA students.

Deficits in primary care services, the definition of which has been expanded to include women's health, pediatrics, family medicine and internal medicine, stems from a lack of clinical preceptors in these areas of medicine as well as physical locations within the state, ultimately resulting in a failure to expose students to the potential that exists. Reimbursement is another prohibitive factor; primary care has one of the lowest reimbursement rates in all of medicine. Add underserved areas that may have Medicaid as the primary insurer, and the rates drop even more. This plays a critical role in practicing physicians' willingness to teach or clinically precept a student. Taking time to teach students slows down the rate at which a provider can evaluate a patient which, in turn, decreases billing and reimbursement. By offering a tax credit, some of that burden could be offset, providing incentive to take the time to teach a student and expose that student to primary care practice.

Maryland currently is home to two PA programs with continuing accreditation through the Accreditation Review Commission for Physician Assistant (ARC-PA) education, one program with provisional accreditation, and one program pending provisional accreditation. All four of these programs are through the University of Maryland System, and two are located in underserved areas (Hagerstown and Princess Anne). They share a common goal of producing excellent primary care PAs, and all four require a minimum of 8 or 9 clinical preceptorships (or clerkships) as part of the graduation requirements. Unfortunately, current clinical sites are being lost to out-of-state and out-of-country competitors who are providing *direct financial incentives* to train other students who are less likely to stay in the state and practice medicine. The Maryland schools *do not pay* preceptors to educate students. We are willing to assess a \$15 licensing increase for PAs

in order for this bill to remain as budget-neutral as possible while allowing those critical clinical preceptors to receive tax credits for the vital services that they provide with the hopes of increasing the number of primary care providers in underserved areas of the state. We are asking for parity with the physicians and nurse practitioners, both of whom are our partners in healthcare and both of whom have enjoyed this tax credit since 2016.

The MdAPA thanks you for your consideration of SB 788, and we urge a FAVORABLE report on the bill.

Theresa Neumann, MPAS, PA-C, DFAAPA
Director of Legislative Affairs, MdAPA

Dr. Colgan_FAV_SB0788

Uploaded by: Colgan, Richard

Position: FAV

A Bill Entitled: Income Tax- Credit for Community- Based Faculty Clinicians

Good afternoon. We have a shortage of primary care providers, both physicians and advanced level practitioners, practicing in underserved areas of our state. Western Maryland, the Eastern Shore and Baltimore City are hit particularly hard. This shortage results in many seeking care from emergency rooms if they get the care they need at all.

Primary Care medicine, that practiced by a family physician, General Internist or Pediatrician, has been shown consistently to address health care inequality, such as those that we suffer from in our state. Yet, the state of Maryland ranks 50th in the country when it comes to graduating medical students who choose to pursue a primary care residency. We believe that by exposing more students to the joy of primary care medicine early in their medical training, many will choose to practice primary care after their residency training.

A critical factor in a student choosing primary care medicine is to have “face time” with a primary care clinician early in their training. Yet, there are diminishing numbers of community preceptors who are willing to accept a medical or advance level practitioner student in their office. SB 411 was passed in 2016 to incentivize more community preceptors to take medical and nurse practitioner students in their office. Physician assistants were not included in this bill.

We are grateful to the legislature for passing SB 411. We are here today to ask for minor changes to the bill so that more preceptors may take advantage of this tax credit.

1. We ask that **physician assistants in the community be eligible** to receive this tax credit in the same way that community physicians and nurse practitioners currently participate. The cost for this allowance would be levied by the Maryland Board of Physicians, just as is done currently for physicians.
2. The number of hours required to be eligible for the tax credit be **reduced from 160 to 100 hours**. This is necessary as most students participating matriculate in four-week blocks of 40 hours. Yet, up to one day per week may be needed for the student to participate in orientation or other didactic activities at the parent academic institution. This reduces the total number of face time hours with the clinician in the community. Because of this few tax credits were able to be awarded this past year, thou many more teachers in the community applied and would have been eligible, had it been 100 hours.

We thank you for your time today. We are confident that with revisions to this bill, we will see more community preceptors be willing to host medical, nurse practitioner and physician assistant students in their office, many of whom are in underserved areas of our state. We believe that by encouraging this mentoring program we will see more health professional students choose primary care medicine and that some will eventually choose to return to the underserved community where they were trained to practice.

Richard Colgan, M.D.
Professor and Vice Chair
Department of Family and Community Medicine
University of Maryland School of Medicine
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SB 788 RMC Position Statement 2.26.2020

Uploaded by: D'Arcy, Megan

Position: FAV



John Hartline, Chair

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Charlotte Davis, Executive Director

POSITION STATEMENT

Senate Bill 788- Income Tax – Credit for Community – Based Faculty Clinicians
Budget and Taxation Committee
February 26, 2020

The Rural Maryland Council **SUPPORTS** Senate Bill 788 – Income Tax – Credit for Community – Based Faculty Clinicians. This bill creates a nonrefundable credit against the State income tax for a licensed physician, physician’s assistant, or advanced practice registered nurse who serves without compensation as a community-based faculty clinician in an approved core clerkship. The Maryland Department of Health would issue a credit certificate of \$1,000 for each student for whom the applicant served as a community-based faculty clinician without compensation, not to exceed \$10,000 per applicant. This bill extends current law created in 2016, specifically Chapters 385 and 386, that established nonrefundable tax credits against the State income tax for a licensed physician or nurse practitioner who serves without compensation as a preceptor in an approved preceptorship program. SB788 uses the terminology, “core clerkship” instead of “preceptorship program” and includes physician assistants as a medical professional to benefit from this tax credit.

A core clerkship is for a student who is enrolled in a medical school, physician assistant program, or advanced practice registered nurse program located in the State and consists of at least 100 hours of certain community-based instruction. This bill would require a community-based faculty clinician (e.g. a physician, a physician’s assistant, or an advanced practice registered nurse) to provide two things, first, between 3 to 10 core clerkships during the year and secondly, have worked at least three rotations with each rotation consisting of 100 hours in a community-based clinical training and in an identified healthcare workforce shortage area.

Rural Maryland currently experiences a shortage of health care providers particularly in specialty areas, mental health and dental care. According to the Health Resources and Service Administration, there are 67 identified health professional shortage areas in our rural 18 designated counties. This bill would incentivize licensed medical professionals to mentor students during their core clerkship and offer opportunities for students to work in these shortage areas. RMC supports SB 788 efforts to increase efforts to improve recruitment and retention of rural health providers.

The Council respectfully requests your favorable support of SB 788.

The Rural Maryland Council (RMC) brings together citizens, community-based organizations, federal, state, county and municipal government officials as well as representatives of the for-profit and nonprofit sectors to collectively address the needs of Rural Maryland communities. We provide a venue for members of agriculture and natural resource-based industries, health care facilities, educational institutions, economic and community development organizations, for-profit and nonprofit corporations, and government agencies to cross traditional boundaries, share information, and address in a more holistic way the special needs and opportunities in Rural Maryland.

“A Collective Voice for Rural Maryland”

Dr. McGuire_FAV_SB0788

Uploaded by: McGuire, Mara

Position: FAV



Maura McGuire, M.D. F.A.C.P.
Assistant Dean of Part-time Faculty
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Office of Johns Hopkins Physicians and Johns Hopkins Community Physicians
6225 Smith Avenue, Suite 300-B, Baltimore, Maryland 21209-3600
(410) 735-4811

Re: Senate Bill 788

February 24, 2020

Dear Senator Eckardt:

I agree with statements by others that we have a substantial shortage of primary care providers in underserved areas of Maryland, including physicians and advanced level practitioners. Several recent studies of Maryland healthcare workforce adequacy document these shortages. These have persisted despite efforts by our health professions schools to produce more graduates who enter primary care. This shortage perpetuates the known disparities in healthcare as summarized by Dr. Colgan.

Access to primary care, including general pediatrics, family practice, general internal medicine, and geriatrics, is associated with lower costs and better health outcomes. Studies have shown that a major factor influencing the decision to enter a primary care specialty is the ability to work with community faculty role models who are happy, engaged and committed to care of their patients. As the Assistant Dean of Part-time and Community Faculty at Hopkins, and director of Hopkins' primary care clerkships over the last 20 years, I can attest that finding and retaining community preceptors is very challenging. We know that clinicians are more likely to remain active teachers, over time, when there is financial recognition for their time and work. I can also attest that our schools continue to struggle keeping community faculty engaged, and that teachers have qualified for the incentive, despite many hours of voluntary work.

The change in hours will align this incentive with the number of actual hours that students spend in primary care rotations. They will support recruiting and retention of new faculty in health professions shortage areas, where challenges are significant. The Johns Hopkins University School of Medicine is grateful to the legislature for considering these minor changes to the bill so that more preceptors may take advantage of this tax credit. Likewise, colleagues in the Maryland Chapter of American College of Physicians, and the Part-time Faculty at the Johns Hopkins University School of Medicine, strongly support this amendment.

I believe that this will help us engage and retain more primary care providers in the highest need areas in our state, and thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink that reads "maur McGuire m.d." in a cursive script.

Maura McGuire, M.D., F.A.C.P.

Senator Eckardt_FAV_SB0788

Uploaded by: Senator Eckardt, Senator Eckardt

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ADDIE C. ECKARDT
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Budget and Taxation Committee

Health and Human Services
Subcommittee

Joint Committees
Administrative, Executive,
and Legislative Review

Audit

Children, Youth, and Families

Fair Practices and
State Personnel Oversight

Pensions

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

District Office
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Testimony for Senate Bill 788
Income Tax - Credit for Community-Based Faculty Clinicians
Budget and Taxation Committee
February 26, 2020

Chairman Guzzon and Members of the Committee:

Thank you for the opportunity to present Senate Bill 788: Income Tax - Credit for Community-Based Faculty Clinicians. This bill expands the preceptorship tax credit, which has been in place since 2016.

The current program provides a tax credit to physicians and nurse practitioners, who act as preceptors without compensation in areas designated as having workforce shortages. The credit is funded through a \$15 certification renewal fee for nurse practitioners. The credit for physicians is funded through the Health Personnel Shortage Incentive Grant program, a percentage of physicians' fees collected annually.

Senate Bill 788 expands the preceptor program to include physician assistants, and those that serve as preceptors for physician assistants, in areas identified as having healthcare workforce shortages. In addition, this bill modifies the hours of a clerkship rotation from 160 to 100 hours. To qualify for the credit a physician, physician assistant, or nurse practitioner is required to complete at least three rotations. A \$15 certification renewal fee funds this credit for physician assistants. Senate Bill 788 builds upon the success of our preceptor tax credit and is a continuation of our efforts to bring healthcare resources into the rural areas across the State.

I respectfully ask for a favorable report of Senate Bill 788. Thank you.

Best Regards,

A handwritten signature in black ink that reads "Addie Eckardt".

Senator Addie Eckardt

MRHA_FAV_SB 788

Uploaded by: Wilson, Lara

Position: FAV



Statement of Maryland Rural Health Association

To the Budget and Taxation Committee

February 26, 2020

Senate Bill 788: Income Tax – Credit for Community-Based Faculty Clinicians

POSITION: SUPPORT

Senator Eckardt, Chair Guzzone, Vice Chair Rosapepe, and members of the Budget and Taxation Committee, the Maryland Rural Health Association (MRHA) is in SUPPORT of Senate Bill 788: Income Tax – Credit for Community-Based Faculty Clinicians.

This legislation creates a nonrefundable credit against the State income tax for a licensed physician, physician's assistant, or advanced practice registered nurse who serves without compensation as a community-based faculty clinician in an approved core clerkship. The Maryland Department of Health (MDH) may issue up to \$100,000 in tax credits in each tax year may be issued by the Department; etc.

MRHA's mission is to educate and advocate for the optimal health and wellness of rural communities and their residents. Rural Maryland represents almost 80 percent of Maryland's land area and 25% of its population. Of Maryland's 24 counties, 18 are considered rural by the state, and with a population of over 1.6 million they differ greatly from the urban areas in the state.

The 2018 Maryland Rural Health Plan (www.MDRuralHealthPlan.org), an extensive assessment of Maryland's rural health needs, specifically sites workforce shortages as a major concern for our rural communities. One of the largest barriers is the recruitment and retention of providers. Virtually all data sources emphasized the difficulty of both finding qualified providers to work in rural areas and then retaining them once hired. This problem exists across disciplines, affecting primary care providers, specialists, behavioral health physicians, and oral health providers.

SB 788 would allow for a tax credit for a provider who precepts a clerkship in an area identified as having a health care workforce shortage. With the incentive to provide training for students in these rural areas, the legislation would entice more faculty clinicians to facilitate increased interest in practicing in underserved communities. This would improve and enhance the ability to respond to a growing demand in underserved areas.

MHRA believes this legislation is important to support our rural communities and we thank you for your consideration.

Lara Wilson, Executive Director, larawilson@mdruralhealth.org, 410-693-6988

MD Dept of Health_INFO_SB 788

Uploaded by: Boyer, Andrew

Position: INFO



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

February 26, 2020

The Honorable Guy Guzzone, Chair
Senate Budget and Taxation Committee
Room 3 West, Miller Senate Office Building
Annapolis, MD 21401-1991

RE: SB 788 – Income Tax – Credit for Community - Based Faculty Clinicians – Letter of Information

Dear Chairman Guzzone and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of Information for Senate Bill 788 (SB 788) – Income Tax – Credit for Community – Based Faculty Clinicians. This bill would create a new category of health care professional eligible for the preceptor tax-credit program (Program).

The Department would like to thank the bill sponsor of SB 788 for sharing her amendments to the original bill. These amendments resolve many of our questions about how the Program would operate for Physician Assistants, including how it would be paid for by a new special fund under the Board of Physician Assistants. However, the amendments do not address our question about the implementation date of this bill with respect to the abrogation of the Program in current statute. As amended, SB 788 will result in both current and new Program requirements being in effect for the 2020 tax year and the first half of the 2021 tax year. Should the Committee wish to move forward with SB 788, the Department respectfully requests that the Committee refer the bill to a workgroup or subcommittee. Doing so would allow relevant stakeholders to address any technical drafting questions, and ensure the bill realizes the Committee’s intent in Maryland statute.

I hope this information is useful. If you would like to discuss this further, please contact Director of Governmental Affairs, Webster Ye, at (410) 260-3190 or webster.ye@maryland.gov.

Sincerely,

Robert R. Neall
Secretary

B&T_SB0788_INFO_Physicians Board

Uploaded by: hawk, wynee

Position: INFO



Board of Physicians

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

2020 SESSION POSITION PAPER

BILL NO: SB 788
COMMITTEE: Budget & Taxation Committee
POSITION: Letter of Concern

TITLE: Income Tax – Credit for Community - Based Faculty Clinicians – Letter of Information

BILL ANALYSIS: This bill creates a nonrefundable credit against the State income tax for a licensed physician, physician’s assistant, or advanced practice registered nurse who serves without compensation as a community-based faculty clinician in an approved core clerkship. The Maryland Department of Health (MDH) may issue up to \$100,000 in tax credits in each tax year. The bill takes effect July 1, 2020, and applies to tax year 2020 and beyond.

POSITION AND RATIONALE: As introduced, the Maryland Board of Physicians (the “Board”) has no position on SB 788. However, proposed amendments will significantly change the bill, including how the tax credit will be funded. Pursuant to Health Occupations, Title 14-207 regarding the Board’s fund, the Board is required to set reasonable fees for the issuance and renewal of licenses, and the fund “shall be used to exclusively cover the actual documented direct and indirect costs of fulfilling the statutory and regulatory duties of the Board as provided by the provisions of this title.”

Currently Board licensees are subject to a variety of fees: To support the Maryland Health Care Commission, an assessment to support Loan Assistance Repayment (LARP), as well as other proposals this legislative session that, if successful, will increase the LARP assessment from 4% to 10%; another fee to support cultural competency education, and budget transfers to support the Office of Primary Care and increase LARP spending for FY 2021; none of which are set forth as fulfilling the statutory and regulatory duties of the Board.

Additionally, the Board has reduced fees temporarily, and was planning to make permanent reductions, however, the fee reductions will be offset by other increases on fees, or will be unable to be implemented. The Board fund should not be used to support programs outside of its mission and we respectfully resist the proposed amendments.

For more information, please contact Wynee Hawk, Manager, Policy and Legislation, Maryland Board of Physicians, 410-764-3786.

The opinion of the Board expressed in this document does not necessarily reflect that of the Maryland Department of Health or the Administration.